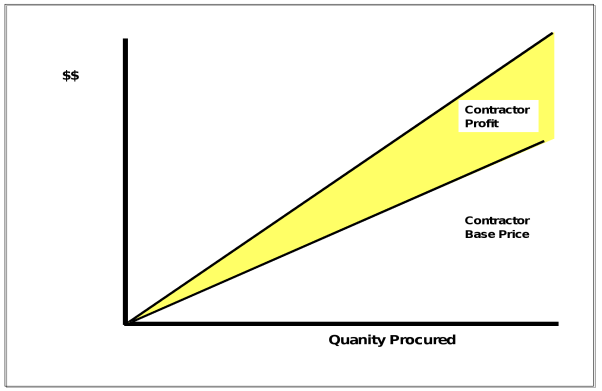
CONTRACTING SUMMIT

Performance Based Logistics (PBL)

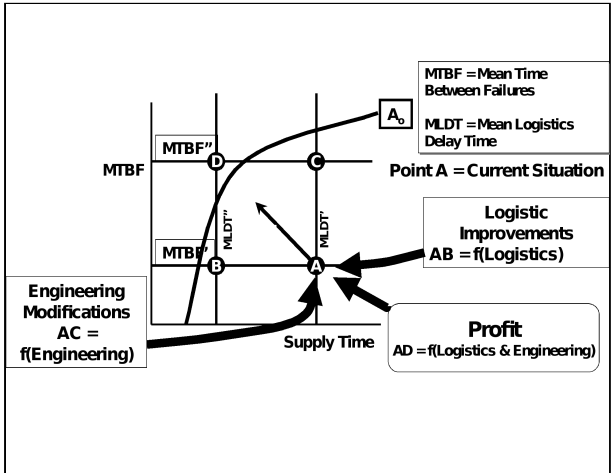
4 October 2004

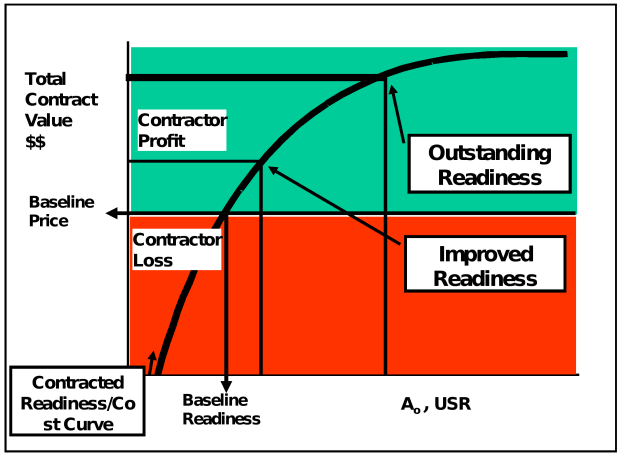
PBL Concept Overview



Today Model

PBL





Buying Readiness, Not Logistics

Improved Target Acquisition System (ITAS)

TOW Improved Target Acquisition System (ITAS)

One for One Replacement of the Ground TOW 2 (M220A2) System

Units Fielded

1. 82D Airborne Division Combat
2. IBCT 1 Deploying
3. 101st Airborne Division (AASLT) (Partial) Combat
4. 2D Infantry Division
5. 10th Mountain Division (Partial) Combat
6. IBCT 2
7. 25th Infantry Division (Partial, June 03) Deploying

ITAS PBL Concept

Organizational (Crew / Operator)

- **PMCS**
- **BIT/BITE**

No Change For Soldier

Soldier Maintainer Retains Normal Direct Support Mission

- **Trouble Shoots and Repairs Syste**
- **Has Spares Loaded As Shop Stock**

No Change For Soldier

The Collocated Contractor FRA Functions As a Depo Forward and Provides:

- **Maintenance**
- **Supply**

ITAS Repair Spares Provided As Shop Stock to FSBs

Spare Parts Are Provided Free To the User

Maintenance

Field Repair

- Soldier/Maintainer
  - Organizational Level
    - PMCS
    - BIT/BITE to Line Replaceable Unit (LRU)
  - Direct Support Level
    - BIT/BITE to Shop Replaceable Unit (SRU)
    - Repair by Replacement
    - Has Spares Loaded as Shop Stock
- Contractor Forward Repair Activity (FRA)
  - Limited Depot Level Repair
    - Co-located with Army Support Battalions at Selected Units
    - FRA (Personnel and Equipment) Deployable, Commander's Call
      - » On Unit's Load Plan
      - » 2-Hour Recall (82d) – Has Shots, Wills, Personal Equipment

ITAS Repair Spares Provided Free to FSBs

Depot Repair – Raytheon, McKinney, TX

CLS Should be Invisible to the User

Supply

Inventory Management – Contractor's Responsibility

- **Provisions, Owns, Maintains Inventory of Spares**
- **Determines Requirements**
- **Captures Demand History**

Spares – Free Issue to the Units

- **Initial Spares Provided to Units**
- **Replenishment**
- **Free Transportation to/from Depot**

Standard Army Information System

- **Interface with SARSS**

ITAS CLS Uses the Army's Standard Supply System

Fixed Price - Performance Adjustment

- 5 Yr Multiple-Year Contract
- ICS – 00-01
- CLS – 02-06
- Maximum Flexibility
- Separate CLINs
  - Transition
  - War

- Additional Metrics to Prevent "Gaming"
- Separate Metrics for Contingency Options
- Free Issue of Repair Parts to Units
- Contract Contains Plan for Transition

Operational Readiness = Profit

100%

95%

90%

85%

80%

Profit Plus Maximum Performance Adjustment

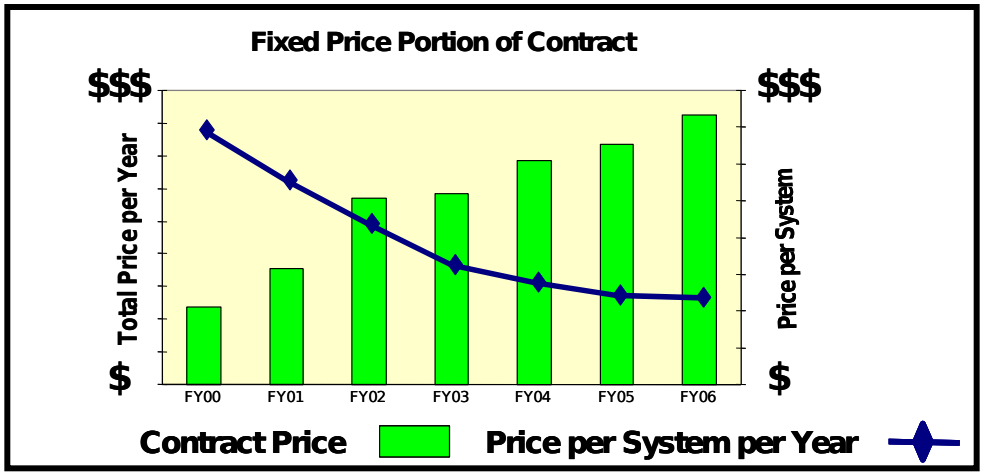
+ $

Additional Metrics in Place to Prevent Gaming

Profit Plus Minimum Performance Adjustment

Minimum Profit

- $



Javelin Weapon System

One Shot - One Kill

Javelin Weapon System

Round

- Modular Missile
- Disposable launch tube assembly containing missile
- I^2R seeker (LWIR)
- Fire and Forget missile
- Dual attack modes
- Tandem warhead
- Soft launch feature
- 10 year shelf life
- Wooden round concept

Command Launch Unit (CLU)

- Integrated day/thermal sight (LWIR)
- Thermal sight, dual field of view
- Stand alone surveillance capability
- 4 Hour continuous operation
- Full BIT/BITE

Training Devices

- Enhanced Producibility Basic Skills Trainer (EPBST)
- Field Tactical Trainer (FTT)
- Missile Simulation Round (MSR)

Javelin PBL Support Concept Overview

Organizational (Operator):

- **Perform PMCS, Run BIT, Replace CLU Battery**

No Change For Soldier

Direct Support:

- **Run BIT; If External CLU Failure, Remove and replace external CLU items from ASL (MOS 27E) and return CLU to unit. Requisition replacement item for ASL from contractor; If internal CLU failure return unserviceable CLU to depot for repair and issue CLU float to unit.**
- **CLU Floats**

PBL Interfaces with Army Info Systems

Depot:

- **Repair CLU**

PBL is Transparent to the User

Transition to LCCS Maintenance Concept

Current

Operator Level

- Clean
- Visual Inspection
- Recognize CLU Failures (Built-in Test/Visual)

Intermediate Support Level

- Identify and Isolate Malfunctions to the CLU Sub-Assembly Shop Replacement Unit (SRU) Utilizing BIT/BITE and Visual Cues
- Remove and Replace the SRU(s) that are Malfunctioning and Return the CLU to a Serviceable Condition
- No Special Tool or Test Equipment 27E Toolkit

Depot Level (Interim Contractor Support (ICS))

- Use Factory Tools and Test Equipment
- Test, Troubleshoot and Repair CLUs and CLU Sub-assemblies (SRU)
- 30-day Repair Turn-Around Time
- Expedited Shipping Methods
- Software (Currently Depot)
- Software Updates done by Depot Teams Using a Portable Memory Loader Verifier (MLV)

LCCS

Operator Level

- Clean
- Visual Inspection
- Recognize CLU Failures (Built-in Test/Visual)

Intermediate Support Level

- Hardware Inspection/Screening
- Run MBIT/IBIT to Confirm CLU Failure
- Remove/Replace External Components
- Issue Rapid Direct Exchange
- Return Unserviceable CLUs to Depot through Normal Channels

Depot Level (Currently Interim Contractor Supported)

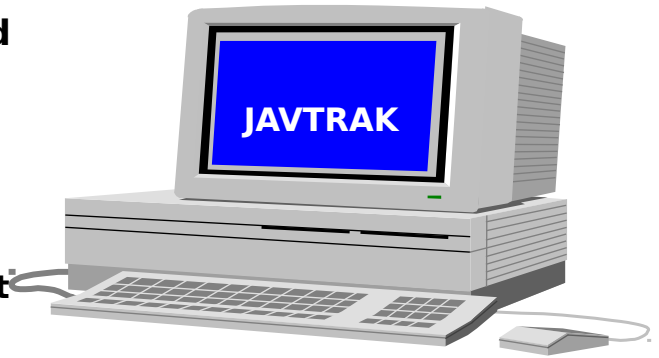
- Javelin Contractor Operated Depot will Perform all Maintenance Actions not Listed Above and Ship Replacement Asset Immediately Upon Receipt of Unserviceables

Javelin PBL Contractor Requirements

- **Maintenance**
  - **CLU Depot Repairs**
  - **Training Device Repairs**
- **Supply**
  - **Free Issue of CLU Spares to Units ASL**
  - **Stock, store, and issue all spares for CLU and Training De**
  - **Contractor As the Item Manager**
  - **Standard Government Supply System Used**
- **Software Support**
- **Hardware/Software Tracking Database**
  - **JAVWEB/JAVTRAK**
  - **Available to user community and management**
- **Go-To-War Capability**
- **Transition Plan (NTE Fixed Price Option to Contract For Transition To One or More Follow-on Sources, Either Government or Contractor)**

Javelin Joint Venture Prime Contractor

Raytheon and Lockheed Martin



Most CLINs FFP, CP Only Used for Contingency

LCCS Metrics

Metric	Minimum Requirement
• **Operational Readiness (OR).** **Contractor shall take the necessary action to maintain the Army Command Launch Unit (CLU) OR rate.** *Calculated IAW AR 220-1 and reported by U.S. Army Logistics Support Activity (LOGSA).*	**Not less than 90% at fleet level on a monthly basis, with no single battalion falling below 90% for 2 consecutive months.**
• **Supply Support** **Contractor shall maintain and control a spares inventory to support spares replenishment up to the applicable authorized stockage list levels.**	**The contractor shall replenish Javelin Army Authorized Stockage Lists (ASL) IAW AR 725-50**
• **Repair Turnaround Time (TAT)** **TAT for each Javelin Weapon system training device's (all BSTs, FTTs, and CLU Maintenance Trainers) maintenance actions.**	**Shall not exceed an annual average of 10 calendar days.**

Actual for Aug 04 98%

The Incentive is to Gain Profit and Renew the Contract

CCWS PBL Summary

- **The Goal is to Improve Readiness of the Fleet**
- **The Method is to Use the Profit Motive**
- **The Results Are Still Coming In… But Look Promising**

Back Up

Depot Partnering

LCCS

- **Contractual requirement of the LCCS contract**
- **JV Must assure:**
  - **Existing Army infrastructure assigned requisite workl**
  - **Defined by MOU between JV and the organic depot**
- **Depot acting as subcontractor**
  - **Organic depot must meet JV programmatic requireme**
    - **TAT**
    - **Quality**
- **Accommodates surge**

Contract Type

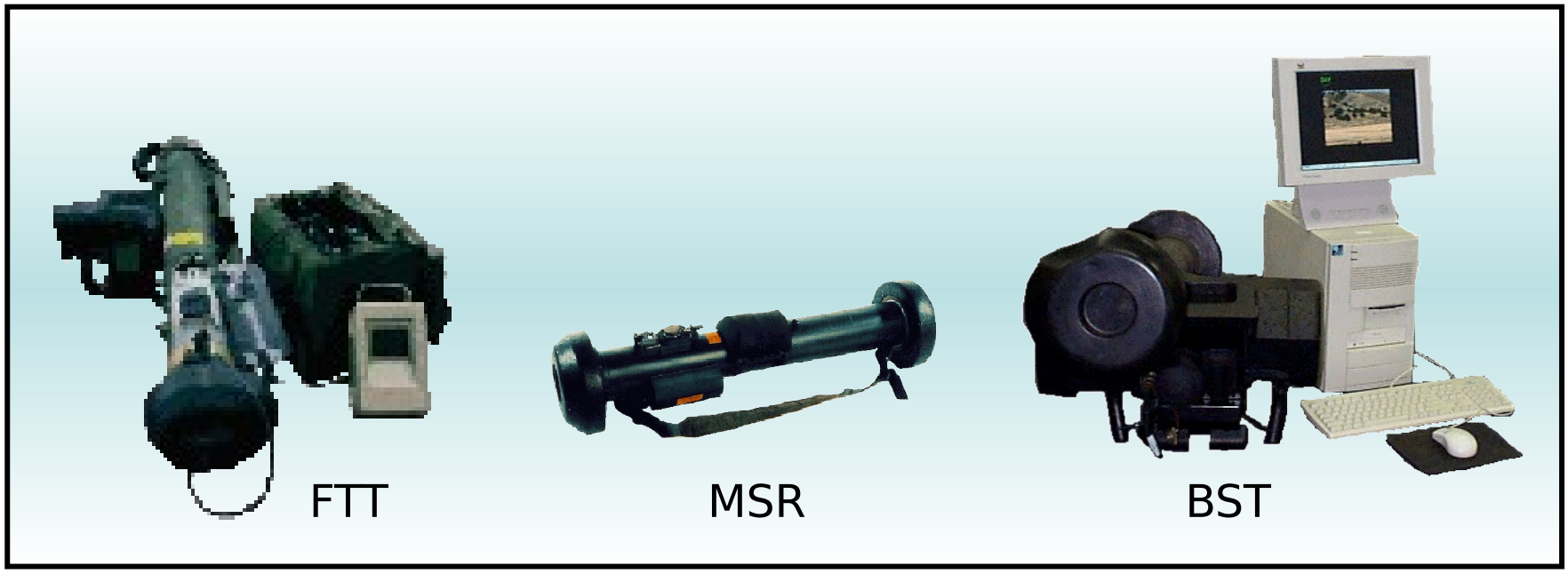
Repair and Support – Army & USMC (TD's only for USMC)	**Fixed Price with Incentives**
FMS Repair and Support	**FFP or Fixed Price with Incentives**
Increased OPTEMPO or Quantity	**Cost Plus Fixed Fee (CPFF) or FFP**
Modification Installation	**CPFF or FFP**
NET & TPF	**FFP**
Go to War	**CPFF**
Stockpile Reliability Program	**FFP**
Inspect/Rework Deployed Hardware	**CPFF**
Transition to Alternative/Organic Source	**FFP**
Spares Secondary Depot Repairable (SDR)/Consumables	**FFP**
USMC SDR Maintenance (9 SDRs)	**FFP**
4 Board CLU/BST Support	**FFP**
United Kingdom CLS & Spares	**FFP**

Contract Length

Army & USMC R/R	**1 Year + 9 Annual Options (FY05 - FY13)**
FMS R/R	**1 Year + Annual Options through EOC**
Army Round Surveillance	**1 Year + 9 Annual Options**
Increased OPTEMPO or Quantity	**Annual Options - exercised as required**
Modification Installation months	**10 Annual options to be exercised every 18**
NET & TPF	**Annual Options - exercised as required**
Go to War	**Up to Year with Each Annual Option**
Stockpile Reliability Program	**1 Year + 9 Annual Options**
Inspect/Rework Deployed Hardware	**Annual Options - exercised as required**
Transition to Alternative/ Organic Source exercised only once for 24	**FFP, Annual Option to be month performance**
Spares SDRs/Consumables	**Annual Options - exercised as required**
USMC SDR Maintenance	**Annual Options on per repair basis**
4 Board CLU/BST Support	**Annual Options – exercised as required**
UK FMS Case	**Four Each Five Year Options Beginning O/A**

Maintenance Concept Training Devices

- **TRAINING DEVICE MAINTENANCE**
  - **Training Device Maintenance Has Been Designated Contractor Logistic Support (CLS) For The Life Of The Program**



System Overview

TARGET ACQUISITION SUBSYSTEM INTEGRATED SIGHT

- 2nd GEN FLIR Detector (w/Monitor) - SADA II
- Laser Range Finder
- Direct View Optics

POWER SUPPLY/BATTERY BOX

- Dismounted Power
- Power Conditioning
- Built-In Battery Charger

4 LRU's

FIRE CONTROL SUBSYSTEM

- Embedded Training Cards
- Missile Guidance
- BIT/BITE

TRAVERSING UNIT MODS

- Brake
- Pistol Grip
- New TAS Mount
- Ground Mounted w/Tripod

Time "In the Pits" is Reduced

- ***ITAS Designed to Improve Performance***
- ***CLS Designed to Increase System Availability and Reduce Ownership Cost***

Better Performance Equals More Kills and Greater Soldier Survivability

What We Are Buying

- 10 Years
  - One Basic Year
  - Nine One Year Options
- FFP/Cost Plus Mix
- Contractor Incentives
  - Operational Readiness Incentive Fee
  - TAT for Training Devices Incentive Fee
  - *Hardware Reliability*
  - Possible Use of Award Term Clause
  - Block Mod Early Completion
- Block Modifications
- Go to War
- Maintenance
- Supply Support
- Stockpile Reliability Program
- Configuration Management
- Product Assurance
- NET
- TPF
- JAVTRAK
- Contractor Owned Spares
- Contractor Control of Transportation
- Depot Partnership
- Transition to Organic Support